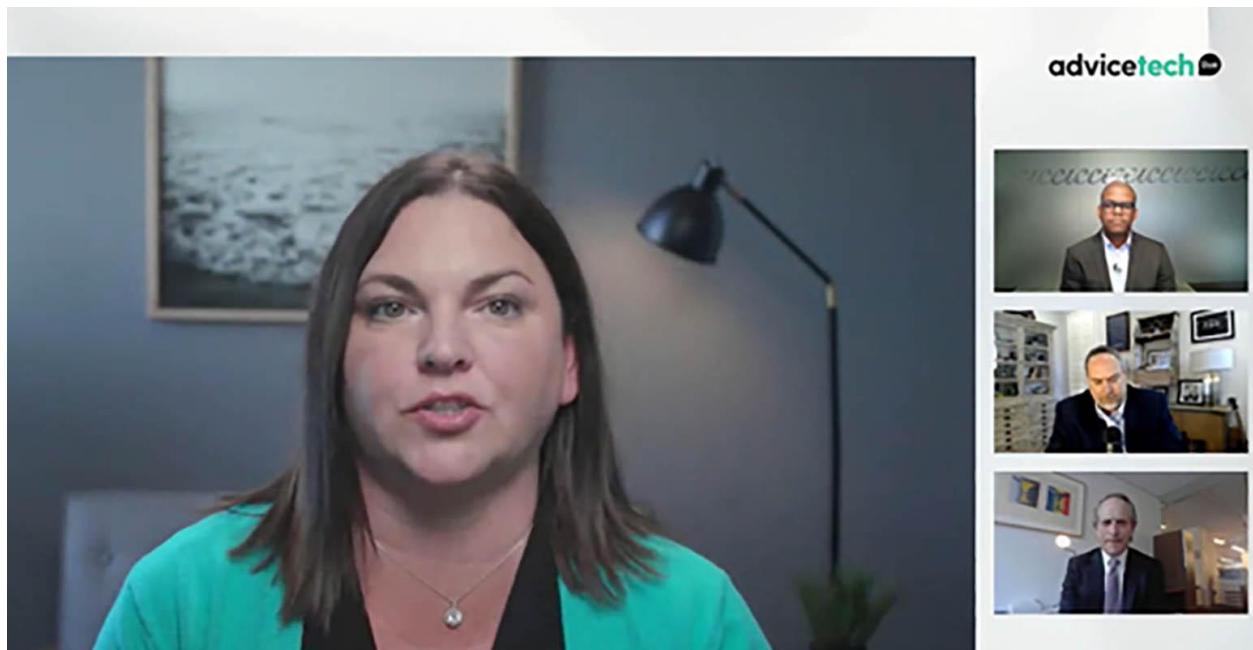


<https://www.wealthmanagement.com/technology/using-technology-become-cyborg-advisor>



(Clockwise, starting at left) Colleen Bell, president of innovation and experience at Cambridge Investment Research; Malcolm Ethridge, executive vice president at CIC Wealth Management; Burt White, chief strategy officer at the Carson Group; and David Karr, chairman of Equitable Advisors

TECHNOLOGY

Using Technology To Become A 'Cyborg' Advisor

"Technology is not going to replace advisors, but advisors who do embrace technology are going to replace advisors who don't," said David Karr, chairman of Equitable Advisors.

Rob Burgess | Nov 03, 2023

Technology has the power to allow advisors to interact with clients both digitally and in person in new ways. But advisors who don't embrace this change are in danger of being left behind.

A panel of industry experts discussed this and other emerging trends on Thursday at Asset-Map's virtual AdviceTech.LIVE 2023 conference. The panel was moderated by Malcolm Ethridge, an executive vice president at CIC Wealth Management who is also a CNBC contributor, and the author of the forthcoming book, "Financial Independence Doesn't Happen by Accident." Panelists included David Karr, chairman of Equitable Advisors;

Burt White, Chief Strategy Officer at the Carson Group; and Colleen Bell, president of innovation and experience at Cambridge Investment Research.

Ethridge said these “unprecedented changes” in technology had left the industry “at an inflection point.”

“Technology is not just a tool, but a driving force behind how the advice experience is delivered,” he said. “Clients are demanding more and more from us while they pay less and less for advice.”

White said his “first law” of technology was that “the magic is never about the machines.”

“The magic is what the machines enable the humans to do,” he said.

Clients are increasingly demanding personalized advice, said White. This means that outdated thinking within firms has led to many advisors lagging. Many organizations are built on a set of principles that aren't true anymore, he said.

“There are so many large broker/dealers and custodians and others that are built around the language of accounts. That's how regulators used to always think about it,” he said. “Their whole language is wrong. In my mind, the new currency is about households. It's about families.”

Bell said addressing not only outdated thinking but also obsolete tech stacks was important for advisors who wanted to increase efficiency.

“When you have legacy systems, you need to think about how we are going to retire the things that have held us back,” she said.

Ethridge said the inherent difficulty of switching between old and new technology often creates inefficiencies for advisors.

“If I have to go over to a legacy system to get data to work with half my clients and then go into a new system to work with the other half, it makes my job a lot more difficult than it needs to be and makes me a lot less likely to adopt any new tech as we go on,” he said. “The hardest thing to do is to get that corner-office advisor to learn a new trick.”

Although, Ethridge said these sorts of transitions were essential because while baby boomers prefer in-person meetings, Millennials tend to favor digital interactions.

“Advisors must become cyborgs to tailor to both,” he said.

Bell said while a goal in her firm was to eliminate all paperwork and live a “paper-free existence,” not all clients have the same digital inclinations.

“My mother-in-law and father-in-law, I sent them a DocuSign. They had no idea what it was. I had to walk them through the process,” she said. “Some people want that paper in their hand.”

White said as advisors increasingly adopt artificial intelligence, they must ensure the technology adds value for the client.

“If you add convenience without usefulness, you’ll be in trouble,” he said.

Making personalized customer journeys using AI will allow these “cyborg advisors” to merge this technology with human interaction to “create magic.”

“Anyone that believes that data and analytics and AI are going to be overrated has got that woefully misplaced,” he said. “This is how you’re going to create these personalized experiences.”

Karr said the demand for advice has never been higher and this technology will allow advisors to provide that interaction at scale like never before.

“Technology is not going to replace advisors, but advisors who do embrace technology are going to replace advisors who don’t,” he said.